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ABSTRACT

An analysis of school choice programs is presented. The review is organized around the following topics: common characteristics of programs, variations, advantages and disadvantages, the relationship between choice and student achievement, and state role. A conclusion is that policy decisions will have to be based on factors other than effects of school choice on student achievement, because there are few, if any, acceptable studies available on the subject, and that state policymakers should weigh choice options against legal, political, and geographic constraints. (56 references) (LMI)

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CHOICE IN AMERICAN EDUCATION

BY

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Policy Issues

Choice in American Education

BY
John F. Witte
The University
of Wisconsin-Madison

A Publication of:

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EXECUTIVE SUMMARY

This paper identifies and analyzes the various programs that carry the "choice" label. The analysis is organized around the following topics: (1) the common element of choice plans, (2) the variations in choice programs, (3) general arguments for and against choice in education, (4) what the research tells us about the link between choice and student achievement, and (5) the opportunities and constraints on states in extending and regulating school choice.

The discussion is limited to government subsidized choice plans and does not analyze the educational effects of residential choice, although issues surrounding residential choice should be part of any policy debate on the subject. The common programmatic element in choice plans is that parents have a greater degree of choice in the selection of schools for their children. The common theoretical component advanced by most advocates of choice is the assumption that competition between schools, created by choice, will produce desirable educational outcomes. The free market parallel is either explicitly or implicitly drawn.

A major division in choice proposals is between those including and those excluding private schools. In theory, any choice proposal could accommodate private schools. However, in practice, public/private plans have been discussed primarily as voucher plans, or education expense tax credits or deductions. The evolution of and alternatives available in these plans are described in detail in the first section of the paper.

A second set of choice proposals is limited to public school systems. These proposals include: (1) intradistrict choice plans, with the vast majority being magnet school plans; (2) interdistrict plans, usually involving metropolitan integration goals, but also plans that aid specific student populations (e.g., handicapped or at-risk); and (3) statewide plans, with recent interest focused on the Minnesota open-enrollment initiative.

The primary theoretical advantages of education choice are that they enhance freedom of choice in a very important area of social decision, and that they offer potential organizational improvements. The main organizational advantages claimed by proponents are diversity, innovation, flexibility, improved quality and achievement, cost-efficient production of education, and simplicity.

The offsetting disadvantages include a potential ruling that public/private plans are unconstitutional in that they abridge the establishment clause of the First Amendment. The latest and most significant case on tax benefits for education expenses, Mueller v. Allen (1983), is reviewed. Although this case upheld tuition deductions for public and private educational expenses, thus opening the door wider than before, there remains considerable legal uncertainty concerning more ambitious programs, such as, vouchers.

The other major disadvantages, which potentially apply to all choice proposals, are that choice is detrimental to the social component of education, and that choice will increase educational inequalities. The latter argument includes two claims: that choice will disproportionately

benefit the well off; and that choice may significantly harm those getting the least from the current education system.

The effects of choice on student achievement are reviewed for all types of choice. For some of these proposals, few if any acceptable studies are available. Thus almost nothing is known about the effects of tuition tax deductions, interdistrict choice, and statewide choice. Research on public/private school comparisons, voucher plans (one--Alum Rock, California) and magnet schools is useful, but not conclusive. Studies include extensive technical problems and debates, and data analyses either point in different directions (e.g., on magnet school effects) or researchers argue over the size and reliability of statistically significant results. It appears that policy decisions will have to be reached based on factors other than proven effects on student achievement.

Finally, the state role in education is discussed in terms of the potential opportunities that are extended by all forms of public school choice and by tax deductions for public and private schools. Policymakers will want to weigh these opportunities against the legal, political, and geographic constraints that set practical limits on what can be expected from choice options.

INTRODUCTION

Education policy was, without question, one of the most important domestic policy issues in the 1980s. During that period, a string of somewhat inconsistent reform movements emerged. Most states were increasing their roles through promulgation of achievement standards, tighter controls over teacher certification, more stringent curriculum management, and much more statewide testing and measurement of student performance. In schools, the main reform line followed an "effective schools" model that stressed strong leadership from principals; high academic expectations supported by tougher standards and more homework; an emphasis on discipline; and a teamwork approach among the staff. As the 1980s came to a close, the major education issue had switched once more--this time to reforms involving choice in public education.

As with most reform movements in American education, a variety of proposals fit under one catchy title. Also consistent with many prior movements, the main ideas are not necessarily new, although their revitalization has been spurred by recent research. The first choice plan to receive considerable notice was Friedman's proposal for education vouchers to subsidize either public or private education. Offered first in 1955, the proposal received considerable attention when it was published as a chapter in Capitalism and Freedom in 1962 (Friedman, 1955, 1962). It never received serious political consideration, although a weak off-shoot, tuition tax credits, was introduced in many states and Congress over the next two decades.

School choice, aided by the creation of magnet schools, was introduced in a number of cities in the 1970s and 1980s to facilitate court-ordered integration. Those plans were limited to public schools, and the vast majority of choice occurred within and not between districts.

The issue has come to the top of the agenda in recent years in part due to the publication and heated controversy over studies comparing achievement differences in public and private high schools using data from the study entitled "High School and Beyond" (Coleman, Hoffer, and Kilgore, 1982; Coleman and Hoffer, 1987). The issue has arisen in states because of a recent statewide reform in Minnesota, which, in theory, allows parents to enroll students in any public school in the state.

This paper identifies and analyzes the various programs that carry the choice label. It specifically discusses: 1) what appears to be the common element of various plans linked together under the choice banner; 2) the variations in choice programs; 3) general arguments for and against choice in education; 4) what the research shows about the link between choice and student achievement; and 5) the opportunities and constraints on states in extending and regulating school choice.

COMMON CHARACTERISTICS AND VARIETIES OF CHOICE PLANS

The term "education choice" is variously employed to include a range of plans and policies. Experts and commentators do not fully agree on what falls within this rubric, but choice can include public/private plans that use some form of public funds to subsidize private school education; and public school plans that incorporate intradistrict, interdistrict, or statewide choice.

Common Characteristics

What are the common elements of choice proposals? The common programmatic element is that parents have a greater degree of choice in the selection of schools for their children.[1] Another key element is not programmatic, but theoretical. Many advocates of choice argue, among other things, that competition from choice will produce desirable educational outcomes. They draw a market parallel either explicitly or implicitly. Competition provides incentives for all schools to innovate, improve achievement, and control costs. Schools at the top will attract the most and best students and achieve elite status (not a phrase used by advocates); those at the bottom will either improve or ultimately close.

For both legal and political reasons, an important programmatic distinction in choice plans is whether they apply strictly within the public school sector or whether they provide choice between public and private schools. In theory, all variants of choice can be designed to fit either distinction. In practice, we have almost no examples of government-sponsored choice between public and private schools.

This paper addresses government-sponsored or government-motivated choice plans. I will not discuss individual school choice that occurs through the selection of residence, even though those choices are very relevant to the policy debate. Recent studies have demonstrated the

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[1]Some researchers have included within-school choices, such as program and course selection, as a form of education choice (Rosenberg, 1989). Although variations in curriculum offerings may be a relevant variable in evaluating choice systems, and has been introduced in debates over education choice, that is not the meaning of choice being used in this paper.

importance of education and educational quality in choosing a place to live. In addition, research has shown that those choice options are highly stratified by family socioeconomic status. Put bluntly, the poor exercise limited residential choice and are often stuck with failing neighborhood schools (Kirby and Darling-Hammond, 1988; Darling-Hammond and Kirby, 1988).

Public/Private Choice Plans

Public/private plans have been discussed primarily as voucher plans, or education tax credits or deductions. These plans are described below.

Voucher plans. For most people, before the 1980s, education choice probably conjured up a radical voucher plan in which either the state or federal government would present all parents an annual check, which they would then use to "shop" for the public or private school of their choice. The check would be approximately equal to the per-member education cost of public schools. The vision was of a simple, efficient, free market for education.

In its original form, the voucher idea went nowhere. It was criticized on legal grounds due to public subsidy of private, mostly religious schools. It was also questioned in terms of equity. Well-off families could move to better schools and could pay the supplements that would undoubtedly be required for better schools.[2]

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[2]This assumption is a direct result of market theory. Quality products, or even the impression of quality, bring higher prices. It was assumed that with free pricing the best schools would demand supplemental fees. Because of the creation of the subsidy for private schools, previously unsubsidized parents would be more than willing to pay the supplements. Under some scenarios, this increase in private school costs would actually reduce the economic efficiency of the unsubsidized system, which for religious schools had consistently provided cheaper education than public schools.

Because families utilizing private schools were generally better off than those in public schools, vouchers were also seen as a subsidy to the middle and upper classes. Finally, the plans were attacked as elitist. The better schools would be able to select the best students and further separation based on student achievement would occur. The general conclusion was that these combined outcomes would adversely affect public schools and thus voucher plans have been consistently and vehemently opposed by teachers and administrator unions and other public school organizations.

In an effort to blunt some of these criticisms, subsequent public-private voucher plans have become much more sophisticated and more complex. For example, two major voucher proponents, Coons and Sugarman (1978), describe a plan in which all schools are required to accept a certain percentage of low-income and at-risk students, strict prohibitions on selective choice by race are enforced, schools must meet minimum educational standards, vouchers may vary inversely with income, and supplemental fees are limited. These adjustments have induced a further criticism by Levin (1990) that such a system would require massive and costly regulation.

Tax credits and deductions for educational expenses. Another policy alternative that would facilitate private school choice is to provide subsidies for educational costs through the tax system. Usually either part or all of the tuition (and or other costs) paid to private or private and public schools could be taken as a credit or itemized

deduction on state or federal income taxes.[3] These plans are administratively less complex than vouchers. Many of the proposals also capped the deductions and credits at relatively low levels and thus were viewed as less radical than voucher plans. On the other hand, tax credits and deductions suffer from all the remaining problems with vouchers. In addition, although regulatory costs would be less, the lack of regulations presents an added problem. Presumably, regulations incorporated in voucher plans serve public purposes, such as insuring equal access to schools, maintaining minimum standards in eligible schools, etc. Those regulatory functions would be much harder, if not impossible, to exercise through use of the tax code. I know of no serious proposals to allow tuition tax credits for property taxes, even though property taxes are the prime source of funding for American schools.

Contract services. Some districts that cannot offer a wide variety of services contract with private schools for those services. The schools might serve at-risk students, dropouts, pregnant teenagers, or students with special needs such as the visually or hearing impaired. Proposals to expand these plans to general education differ from vouchers

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[3]There is a substantial difference between a credit, which is a direct reduction of taxes due computed as subtraction from taxes owed, and a deduction, which is a subtraction from adjusted gross income for those taxpayers who itemize. Because less than 20 percent of federal income tax returns itemize deductions, very few families are affected by a deduction. In addition, because a credit is a flat sum subtracted from taxes due, it is a much more progressive benefit because it has a higher proportional impact on low income taxpayers (most of whom are also cut out of a tax deduction). Finally, assuming similar dollar amounts per taxpayer in both credit and deduction plans, credits would cost much more because they apply to all tax payers.

and tuition tax-credit plans in that the public school districts retain contract and regulatory authority.

Public School Choice Plans

Some choice proposals are limited to public school systems. These proposals are outlined below.

Intradistrict choice. School choice within districts has existed in widely varying degrees since the inception of public schools in the United States. Attendance areas and rules governing student exceptions are the province of state, and--more importantly--school district policy. Some districts are extremely liberal; some rigid. Common reasons for allowing enrollment outside the attendance area school include special needs and programs; students changing residence close to their graduation date; and sibling attendance at a different school.

Intradistrict transfers, both through coercion and choice became critical for many districts following Brown v. Topeka Board of Education. Integration requirements greatly increased the rate of transfer out of neighborhood attendance areas in most large cities. Beginning in the 1970s, to minimize forced busing, choice plans were created in many cities, often using magnet schools. In cities such as Milwaukee and St. Paul, parents are allowed to formally list schools in order of preference at the beginning of the school year. A series of pre-established criteria, the most critical being racial composition of the schools, are then used by the district to assign schools. If schools are oversubscribed for one or another racial group, random selection

occurs. Magnet schools and programs may or may not be part of the choice program.

Magnet schools come in many forms. The typical image is a school that draws from all attendance areas and is either a gifted and talented school (college preparatory at the high school level), or a school with a unique focus (e.g., an emphasis on the arts as in the movie and television show "Fame"). More prevalent are schools with limited specialties, in which part of their program is traditional, but has specialized programmatic tracks (computers, languages, health-care training, business administration, etc.). Specialized program schools were often created to assuage complaints that non-magnet schools had become second-rate in comparison to city-wide magnet schools. These schools provide only limited choice and thus their student body is a combination of students from the attendance area, students bused from outside the attendance area, and students selecting the school. (Archbald and Witte, 1985; Archbald, 1988; Blank, 1990; Bennett, 1990).

Interdistrict choice. State law and district rules govern school attendance outside of one's residential district. Although many states allow interdistrict choice, it occurs less often than intradistrict transfers. One reason is that state aid to districts is almost always based primarily on the number of students, and thus districts have an incentive to retain students in their schools.

Interdistrict choice programs became more prevalent in the 1980s primarily as a result of law suits, fears of law suits, or simply the desire on the part of states and cities to alleviate the problem of

metropolitan segregation. Voluntary efforts were common in settlements of suits, such as those filed in St. Louis and Milwaukee. In Wisconsin, additional state funds facilitated these transfers. In almost all plans, receiving districts can limit the number of incoming students. Two critical factors in these plans are: 1) whether receiving districts can select, and/or reject students with poor records, disciplinary problems,etc.; and 2) whether state aid follows the student or is paid to both sending and receiving districts (as in Wisconsin).

In the last several years, a new variant of interdistrict plans has emerged under the label of "controlled choice." These plans are very similar to earlier choice plans that operated within the requirements of integration orders or plans. One way they differ, however, is that they usually create a number of zones, or subdistricts within which the choice options often include magnet schools and programs. The best examples are in Cambridge and Boston, Massachusetts (Alves & Willie, 1987, 1990; Peterkin & Jones, 1989).

Minnesota pioneered a different form of interdistrict choice targeted at unsuccessful or at-risk students. Under The High School Graduation Incentives and Area Learning Center laws passed in 1987-88, students under the age of 22 may select any school that has room as long as the transfer does not harm desegregation balances. State funds are available for planning and support of programs specifically developed to meet the needs of these students (Nathan, 1989).

Statewide choice. Minnesota implemented the first statewide choice plan in 1988. The plan allows any family to pick any public school for

their child. State aid of transferring students goes to the receiving district. The theory is that competitive pressures resulting from declining student populations and the loss of state aid will stimulate improvement in poor schools. In practice, there are a number of limiting factors. Until 1990-91, districts have the option of not participating by not accepting students. If they do participate, they can specify the exact number of students by grade and school that they will accept. The law prohibits districts from discriminating based on race, socioeconomic status, or academic record, and transfers are not allowed if they harm desegregation efforts. It is less clear whether students can be rejected based on behavioral records. Families are responsible for transportation of their children to the border of the receiving district. A very small amount of money has been set aside for transportation aids for poor families.

To date, the plan has produced very few transfers relative to the size of the school population. In 1989-90, although 80 percent of districts participated, only 3,218 (.44 percent) out of 731,455 students in the state transferred out of their resident district. This involved only 2,069 families (Minnesota House of Representatives, 1990, p. 9). While this is clearly a modest beginning, it is potentially the most radical exercise of public-sector education choice in history. Additional transportation aid and improved information systems may increase the number of families who take advantage of the choice opportunities in the future. The prospect of other states adopting this sort of policy was apparently of enough concern to the National Education Association that it passed a resolution at its 1989 convention explicitly condemning such plans (Education Daily, July 5, 1989).

ADVANTAGES AND DISADVANTAGES OF EDUCATION CHOICE

The theoretical advantages and disadvantages of education choice are relatively easy to state, although researchers do not agree on the relevant list or the weights attached to the various arguments. Because of theoretical and normative disagreements, and because the empirical evidence on which many of the arguments turn is thin or nonexistent, policy conclusions are difficult to derive. This section outlines the major theoretical and normative arguments; the next reviews the evidence.

Advantages of Education Choice

Proponents of choice set forth two basic theoretical advantages of education choice: (1) the freedom to choose a child's education and (2) the ability to cause organizational improvement.

Choice as a normative principle. In his most recent State of the Union address, President Bush referred to the concepts of freedom or liberty 37 times, providing anecdotal evidence, at least, of the importance of freedom to the American psyche. The freedom to have choices in something as vital as a child's education is more compelling than paying homage to an abstract idea. There is very clear evidence that in the last two decades parents able to exercise choice by extracting their children from failing schools have done so in large numbers. Coleman (1990) recently expressed the fundamental value that choice plays in education:

> Educational choice is an issue that throws into opposition two values that are deeply held by most Americans. One, favoring choice, is the value we place on parents being able to do all they can do for their children as they raise them to

> adulthood. Given the way modern society is organized, with production outside the household, and the future occupations of children different from those of their parents, one of the things parents can do for their children is to select for them the kind of environment which is best. School is one of the most important aspects of that environment.

Choice as an organizing principle. Although the usual image of school organization is a hierarchically organized public bureaucracy, a number of theoretical advantages can be advanced in favor of an organizational structure that more closely resembles a market system. That market system would be characterized by greater autonomy on the part of "consumers" (i.e., parents and students) and a "production" system that relies on diverse and independent units, only marginally regulated by a central authority.

In theory, market systems are adept at matching the diversity that is assumed in the preference bundles that characterize household consumption, with the goods produced by numerous, independent producers trying to maximize their own gain. If we assume that educational needs and preferences are diverse, a centralized bureaucratic system that tends to produce a common set of educational programs and results will be less able to match the preference of consumers than a flexible free market system. Presumably choice systems, whether public/private or purely public school choice systems, such as magnet schools, will be more likely to meet those diverse demands. Schools will find ways to meet the needs specified by parents and students. These may be religious (e.g., Catholic, Evangelical, Hebrew, Amish); they may be specialized in terms of instruction (e.g., performing arts, vocational education); or they may be uniquely designed to educate at-risk or gifted students.

Closely linked to the ability of choice systems to meet diverse demands is their ability to engender innovation. In contrast to the reliance of bureaucracies on routines and established standard operating procedures, the competitive pressures of a market system force organizations to change, innovate, and minimize needless administrative procedures. Innovation closely mirrors both diversity of preferences and changing educational needs. Thus with choice, schools will organize in new ways (e.g., open classroom schools or K-12 schools) and increase experimentation in modes of learning and instruction (e.g., Montessori schools and individually guided instruction).

Again, tied closely to the arguments favoring diversity and innovation, choice systems may be more flexible than the current public system. As society becomes more complex, education at all levels must be able to respond quickly to changing needs and preferences. Curriculum and methods cannot be rigid. For example, as personal computers changed our lives in a decade, the education system must be able to take advantage of them and educate children in their use. A choice system, public/private or purely public, has a built-in organizational response mechanism. Schools will find that it is in their best interest to meet customer's new demands and respond to trends. If schools do not, others will, and schools will lose their customers.

Several combined theoretical arguments lead to the conclusion that choice in schools will improve overall quality and achievement. To the extent that innovation and flexibility improve quality by matching market preferences, the above arguments apply. However, other very simple

internal incentives can be generated by a market system. In a full-market public/private system such as a system of total cost-per-member vouchers, successful schools would yield profits to be distributed to employees and/or shareholders who would reinvest those profits for better employees, better equipment, better curriculum, etc. The market system would also create internal incentives to hire, pay, and promote better teachers, principals, and staff; and those employees would respond accordingly. In addition, staff would be also motivated by the distinction of working in a prestigious school and by the satisfaction of working in a successful organization. Poor schools would lose students and money, prestige and morale would be low, and they would be forced either to improve or close.

In a modified market system--either a limited public/private voucher or tuition system or a public choice system--the same forces are relevant, but may be more constrained. Two types of constraints may characterize practical applications. First, the margins of reward may be lower than in the profit model. For example, successful schools are likely to receive distinction and employees a sense of internal accomplishment, but will not realistically share in profits. There should still be a marginal incentive system, but obviously a weaker one. How much weaker is a matter of conjecture.

Second, important ingredients of the full market model may be missing. Choice itself may be constrained to movement of only a few students; a real price system may not function, or it may be a very small proportion of total cost (e.g., small tuition tax deductions); barriers

to entry of new schools may exist; and staff may not fit the fluidity of labor market assumptions. Through union contracts and protections, in fact, they may neutralize most of the internally driven rewards and incentives of a market environment. In each of these cases, while the general arguments for improved quality and achievement hold, they may be severely tempered by a partial and constrained system of choice.

Following classical economic theory, choice mechanisms should also produce the most cost-efficient production of education. This need not be the cheapest education, but rather the production of education services that on the margin most closely match consumer preferences as expressed through their willingness to expend resources on education. What this means in crude terms is that those wishing to purchase less quantity and quality of education would not be forced to buy more than they desire; and those wanting higher levels of education could pay more to find a product closely matching their demands--not settle for a product they feel is inferior to their preferences.

In the abstract, parental preferences, school diversity, and varying prices would produce a supply and demand equilibrium that would satisfy all or most customers. Those schools that did not produce education satisfying to enough parents at the price they were willing to pay would have to change or be replaced by new schools that better fit market demands. Alternatively, successful schools could become too expensive and they would lose customers to more modestly priced alternatives.

Again, less than full-market conditions would undoubtedly restrain these effects, but not eliminate them. For example, consider an

intradistrict choice system in which school budgets were set, based on enrollment, but schools controlled expenditures, staffing, organization, and pedagogical decisions. A number of internal incentive mechanisms would operate to force the school to meet the needs of a set of clients (e.g., college-bound or at-risk students). Although price variations between schools would not exist, thus eliminating a refining variable, parents would still be shopping for the best school to fit their child's needs. Teachers and staffs would not have a ready-made clientele and thus, since the reputation and budget of the school would be directly affected by parent choice, they would have an incentive to produce an educational product that would maintain or increase enrollment. Although staff salaries and assignments would still be controlled by contracts, a school that has budget power would find ways of saving expenses and "inducing" staff savings. This would be particularly true if there were an enrollment minimum, below which the school would be closed. However, even without this, the incentive mechanisms would function to some degree.

Finally, choice systems that fully follow market assumptions would be administratively simple. The driving mechanism would be the potential to exit the system or school. Choice systems that give parents control provide parents a simple, but certain, club to use on schools. One does not have to say exactly what is wrong or what should be done to correct it; one does not have to argue, persuade, or cajole teachers or administrators; one only needs to find a suitable alternative. And, if the system is well defined, everyone involved understands the power that choice gives parents.

In a more realistic world, complications could result from at least four causes: (1) demands for regulatory certification of schools and programs; (2) inadequate information on school outcomes, teachers, and programs; (3) effectively varying subsidies for differentially situated families; and (4) imperfect procedures through which parents choose schools. These complications, however, already exist in non-choice public school systems--systems that expend enormous time and energy trying to determine how many and which schools need which resources, what programs they should advance, how they should be staffed, etc. Choice would add a dimension that would clarify and simplify those decisions. That is the magic of a decentralized market; even one operating at half-power or less would simplify the process.

Disadvantages of Education Choice

Legal and social concerns cloud the future of choice. The role of the courts remains uncertain, and the debate over equity and the social functions of education rage on.

Public/private choice as unconstitutional. Because the majority of private primary and secondary schools are religiously affiliated, many argue that public subsidies to these schools, in the form of vouchers, tuition credits or state aid, would violate the establishment clause of the First Amendment. A history of legal precedent sheds light on this subject.

The most recent major Supreme Court ruling was Mueller v. Allen (1983). The court decided, with five justices forming a majority, that a Minnesota state tax deduction covering certain public and private

educational expenses (tuition, transportation, books, materials) was permissible. The ruling concurred with prior tests of the establishment clause in that the deduction went to parents and not schools and applied equally to expenses incurred in private and public schools. However, it broke with precedent in that it ignored earlier tests under strict scrutiny that employed a de facto consideration that the primary effect of the law was to aid private, sectarian schools. Earlier rulings utilized statistical tests estimating who would be primary beneficiaries of the law. If the beneficiaries were primarily parents of children attending religious schools, the statute failed the constitutional requirement. In Mueller v. Allen, the court ignored the de facto arguments in favor of the de jure implications of the law itself. Because the law was broad in its application, and because as a tax deduction it would be unlikely to be decisive in school selection decisions, the majority ruled that primary effect was neutral as to the advancement or inhibition of religion (Connolly, 1984).

For the first time, the court upheld a major tax program that would benefit primarily private school parents (See IV below). However, the majority was slender; in an almost identical Rhode Island case several years earlier, the court had ruled the opposite. In addition, the Minnesota law was relatively innocuous in that it provided a capped, minor tax deduction, not credit, that would benefit only a small portion of the population. Thus, the constitutional question remains unclear, particularly regarding radical plans, such as full-cost vouchers, that would provide major subsidies for private education.

Choice as detrimental to the social component of education. Opponents of both public/private and purely public school choice argue that because education has a social or collective function as well as an individual one, a primary function of education is to educate future citizens, schooled in democratic norms and processes, and trained to be functioning members of a modern society and economy. Training to succeed in the economy is often tied to a theory of equal opportunity, in which education is viewed as an intergenerational path to equality for those less well situated. These arguments are contested in theory by neo-Marxists, for example, who say that education produces only docile workers who unquestioningly accept their fate (Bowles and Gintis 1976); and sometimes nonempirical studies that challenge the equal opportunity hypothesis (Jencks et al., 1972). However, these arguments remain a mainstay of the criticism of choice.

Choice threatens the social functions of education in a number of ways. First, by loosening centralized control over curriculum, course offerings, and graduation and program requirements, there is no longer assurance that the norms and values required of good citizens will be taught. Less curriculum control in pure choice systems might also affect training and education in other areas. One variant of this argument is that fewer resources than necessary will go into skill- and employment-related education and training. A refinement on this position, for which some relevant evidence exists, is that successful choice schools, private or public, will increasingly become predominantly academic, leaving for the remaining public schools the task of remedial education and vocational training.

Finally, opponents believe school choice threatens the social function of education by making it more difficult for states or school systems to insure the kind of demanding, academic curriculum that leading educators believe leads to improved achievement. Ironically, that belief is supported by the same analyses of "High School and Beyond" data that are used by others to support public/private school choice. Advocates and opponents agree that increasing the number of demanding courses taken by public or private school students leads to higher achievement, and that students in private schools take more courses that are considered demanding. Advocates of choice argue that the free-market strategy would cause schools to increase the number of academic courses students take. Opponents contend that centralized curriculum management is the best way to increase academic requirements and achievement levels (See Clune, 1990 for a review of this debate; also Bryk, Lee, & Smith, 1990).

Choice will increase educational inequalities. The most persistent and vitriolic arguments over education choice involve issues of equity. Those opposed follow several paths of argument to the same conclusion: choice will disproportionately benefit those already better off, and may significantly harm those getting the least from the current educational system. The disproportionate benefit position is tied to two arguments. First, any subsidy to the private sector will provide more aid to those already using private schools, and those families are already economically better off. Second, poor, often minority families and middle-class families will face a different choice situation under either public/private or purely public choice plans. Housing patterns,

difficulties with transportation, and racial discrimination will make it much harder for inner-city minority families to choose suburban or outlying middle-class schools. The principal beneficiaries of choice will be middle-class families, who receive increased aid and the opportunity to choose private schools or specialized elite public schools.

The latter argument suggests that choice plans may not only disproportionately benefit well-off families, but that the educational system remaining for the poor will also be considerably harmed. The argument is simple: the inequalities of choice, in practice, will lead to a system where elite schools (private and public, city and suburban) become even more elite, further draining inner-city schools of middle-class students and making those schools even more remedial. This can result from the introduction of elite magnet schools; from increased, but asymmetric transfers between city and suburban districts; and from support of private schools with vouchers or tuition tax credits. The bottom line is increasing inequality in an educational system that already contains very serious inequity in terms of educational outcomes.

EDUCATION CHOICE AND STUDENT ACHIEVEMENT

Theory relating to education choice far outweighs practice. This conclusion is even more striking when it comes to what we know about the relationship between choice and student achievement. Experts agree on surprisingly little, even though the number and range of experiments with choice is considerable.

Student Achievement in Public and Private Schools

No voucher program in the United States has included both public and private schools and only one notable tuition tax deduction program has included public and private schools. The primary source of information on whether student achievement varies between public and private schools is based on the "High School and Beyond" study conducted in three waves in 1980, 1982, and 1984. That study included approximately 1,000 high schools, both public and private--an enormous data base. In each school, 36 sophomores and seniors were selected for interviews, testing, and collection of full information from teachers, records, etc. Sophomores in 1980 were retested in 1982; 1980 seniors were tracked down to find out what they were doing two years after high school.

Although this study suffered from technical problems, it does present a unique opportunity to compare public and private education on a national scale. Unfortunately, analyses present neither a uniform picture nor uniform explanations for differences in achievement between public and private high schools. In addition, a potentially fatal problem lies at the very heart of the debate.

The debate over public school superiority began with a study by Coleman, Hoffer, and Kilgore (1982) that used data only from the 1980 wave. Their analysis compared achievement for sophomores and seniors in public and private schools, concluding that public schools were superior even afterstatistically controlling for student background. In addition, they argued that the variation in achievement by race and class within private schools was less than the variation in public schools.

Critics of the early Coleman work were numerous and harsh. Technical arguments and re-analyses indicated that the effects were overstated and misleading because of the use of cross-sectional data and the way the control variables were introduced in estimating the differences. However, several critiques, including the most detailed one by Cain and Goldberger (1982), focused on the inability of the data to measure a key relevant variable--whether students in private schools had greater prior ability regardless of socioeconomic background. This selection bias could be tested by a measure of a prior ability, but no such a measure was used in the study. Critics argued that socioeconomic status did not capture this bias, because it was reasonable to assume that families differed in their taste for education, and that could not be measured either. Taste for education relates to the motivations, importance, and value parents put on education. If, as we might reasonably assume, private school parents have a greater taste for education as exhibited by the sacrifices they assume, school effects cannot be separated from selection effects in public and private schools.

Subsequent studies based on changes in achievement between the sophomore and senior years tried to solve part of this problem by assuming that the sophomore test was a partial measure of prior ability. With this new data, Coleman and Hoffer (1987) persisted in arguing that Catholic schools were superior. They were joined by Bryk and his colleagues. Using more complex techniques, they found similar indications of higher achievement for Catholic school students (Bryk, Lee, & Smith, 1990).

The explanations of Catholic school superiority are somewhat different, however. Coleman and Hoffer believe that Catholic schools provide a better educational community, with shared values concerning, for example, the importance of education and discipline. Although Bryk and his colleagues stress these communal differences, they also believe a major portion of the variance can be explained by the heavier concentration of academic course-taking in Catholic schools.

In contrast to these studies, Alexander and Pallas, in a widely cited article, after controlling for the sophomore test as a measure of initial ability, found almost no difference between public and private schools. They reached two conclusions that directly countered the claims of the others:

> First, and most important, there is little support for the notion that cognitive development in Catholic schools significantly outpaces that in public schools between the sophomore and senior years. Our second conclusion is that background characteristics relate to test performance in similar fashion in the public and Catholic schools (Alexander & Pallas, 1987, p. 106).

Their analysis found statistically significant, but small differences between public and private schools. Levin (1990), using the estimates from Alexander and Pallas, translates the remaining differences between public and private schools into standardized national percentiles. He concludes that the average private school student would be in the 52nd percentile, while the average public school student would be in the 50th percentile.

More recently, even these estimates have been called into question. Meyer (1989), in a study that estimated the effect of taking math courses

on achievement gains in math, found a major statistical error in prior studies. The error suggests that earlier estimates of achievement gains are very unreliable.[4] Even though the use of the sophomore test as a measure of prior ability solved some of the selection problems of the earlier studies, conclusive results are not yet available. The question of whether the sophomore test truly captures prior ability and family taste for education, will continue to cause uncertainty about the results that emerge from the "High School and Beyond" study.

Voucher Plans

In spite of the thousands of words written about voucher plans in the last 35 years, only one concrete experiment with a district voucher plan has occurred, and that one was so constrained and shifted in so many directions that any results must be interpreted with great caution. In 1972, the Office of Equal Opportunity (OEO) reluctantly began the experiment in Alum Rock, California, after many years of trying to start voucher plans elsewhere. The district, composed of mostly poor and minority students, was in financial trouble, and therefore, lacked both the diversity and resources the OEO felt was necessary for a successful

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[4]The technical problem is how to control for initial knowledge when trying to estimate gains in student achievement between the sophomore and senior tests. Some models neglected the problem, not including the sophomore test at all and thus misspecifying the equations; others included the sophomore test as an independent variable. Meyer has shown that both of these approaches lead to widely divergent and unreliable estimates of effects. The proper model is a two-stage least squares model in which you first estimate the sophomore test and then include this estimate as an independent variable in the estimation of the gains between the sophomore and senior year.

voucher program. More appropriate districts, however, had refused to participate (Cohen & Farrar, 1977).

The program changed considerably over the years. However, by all accounts it was very constrained and offered only limited choice. Although private schools were allowed to participate after the first year, none were involved. Existing teachers and administrators received considerable protection. If schools lost enrollees, those employed at those schools were guaranteed priority reassignment to other schools. Similarly schools that expanded could not reward staff members, they could only add staff. The result was more students and crowded schools. After one year, enrollment limits were placed on all schools, so that a school's only incentive was to maintain enrollment levels. This was easy for almost all schools because of the enrollment limits placed on the most desirable schools (Bass, 1978; Cohen & Farrar, 1977).

In essence, Alum Rock became a carefully limited open-enrollment school district. Approximately half the schools in the district chose not to participate at all. Positive results included the development of a large number of new specialty programs and "mini-schools" within participating schools. Experimentation was widespread, growing to 45 specialty programs in 13 schools. In some cases changes were quite radical, including flexible grade-level programs and open classrooms. In addition, school-level autonomy increased for both teachers and administrators. Parental choice also increased, although most parents still selected neighborhood attendance area schools for their children.[5]

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[5]In the first year almost no parents selected schools outside their attendance area; the second year 10% did so; and the third year 18%. (Cohen & Farrar, 1977, pp. 88-89).

Information concerning schools and programs also increased over the life of the program.

Student achievement results were much less dramatic. Although again, technical problems existed in the study that compared achievement changes of students in regular and alternative (voucher) programs, the author of the definitive study reached an unequivocal conclusion:

> Do student outcomes differ in alternative and regular schools? We found no appreciable or consistent difference in students' (adjusted) reading achievement between regular and alternative schools. The same was true for noncognitive outcomes--self-esteem and perception of peers. (Capell, 1981, p. viii.)

To make sure the reader does not miss the policy point, he reiterates:

> Although limited in scope, this study has instructive implications for those interested in educational alternatives. First, experiments with parental choice and size programs had no apparent effect on students' reading achievement, perceptions of themselves and others, or social skills. Thus, debate over educational alternatives should be based on community interests and public policy rather than possible effects on student outcomes. (Capell, 1981, pp. x-xi.)

Tuition Tax Deductions

The most important program of government support for private school education is the tax deduction program in Minnesota that was ruled constitutional in Mueller v. Allen in 1983. Although this program may now serve as a model for other state legislatures, little is known about its effects, and no information is available on student achievement. Because the state allows a tax deduction on state taxes and not a credit (a factor affecting the court's judgment), the financial benefits for any family are quite limited. A survey of Minnesota parents found that

private school parents were the most likely to use the deduction. However, the survey revealed an even stronger correlation with income, which is to be expected because low-income families rarely itemize deductions. The survey authors concluded that the impact on altering educational choices was minimal, and was surpassed by choice of residence as a factor in school selection, particularly for higher income families. (Kirby & Darling-Hammond, 1988, Darling-Hammond & Kirby, 1988).

Intradistrict Choice

Other than nongovernment-sponsored choice between public and private schools, the most prevalent forms of choice in schools are within-district programs. Magnet or specialty schools or programs are the most common choice options. Magnet school programs begun in the early 1970s were almost always connected to desegregation efforts. However, by 1982-83, one-third of the largest urban districts had magnet schools, and today that figure is much higher. Estimates show that 20 percent of students in urban districts are enrolled in magnet schools (Blank, 1990).

In a recent study, Blank surveyed 33 cities with magnet schools and evaluated locally sponsored research on student achievement in 12 districts. These schools had been part of a much larger study of magnet schools done in 1983. His earlier study found that 80 percent of students in magnet schools scored above the district averages in math and reading (Blank, Dentler, & Batzell, 1983). The problem then, and in the current research, is that it has been impossible to determine if these achievement differences occur because better-than-average students are

selected into or self-select magnet schools, or that magnet schools do a better job of educating students.

The debate on this point is vehement, with some researchers charging that magnet schools "cream off" the best students, with the potential result of creating a dual school system (Archbald & Witte, 1985; Witte & Walsh, 1989; Moore & Davenport, 1989). Supporters either deny this contention, suggest it is exaggerated, or emphasize its irrelevance given the dire nature of the problems initially faced. Some others, such as District 4 in New York, solve the problem by spreading innovative programs to all schools (Fliegel, 1988, 1989). Blank's research is cautiously optimistic because in districts that he resampled in 1989, magnet schools had decreased their formal selectivity procedures (Blank, 1990).

Interdistrict Choice

If little is systematically known of magnet schools and intradistrict effects of school choice on student achievement, even less is known of the few formal interdistrict choice programs. Most information comes from a study of metropolitan Milwaukee school districts, which have a voluntary transfer program supported by state funds. This study highlighted enormous differences in student achievement between city and suburban schools, and documented differences in the performance of minority and poor students in suburban districts and city districts, but the critical variables were missing in this study, too. The same selectivity bias that plagued the "High School and Beyond" and magnet school studies also hurt this research. In the Milwaukee case, however,

selectivity may have worked in both directions. Students who chose to participate may have come from families that were not representative of leaving districts, and receiving districts had the right to accept or reject students (Metropolitan Milwaukee Study Commission, 1985).

Statewide Choice

All that is really known about the Minnesota statewide enrollment program is that it has had minimal impact. In the third year of the program (1989-1990), only 3,940 of 731,455 public school children in Minnesota applied to use the option. The number actually using the option was 3,218 (Minnesota House of Representatives, 1990, p. 16). In the second year of the program, only 440 additional students took advantage of the law (Nathan, 1989; Bennett, 1990). Based on the 3,218 figure, less than one-half of one percent of Minnesota school children are affected by statewide open enrollment. No achievement data are available and no studies of achievement patterns resulting from statewide choice are planned.

Summary

The basic conclusion is that there is little valid evidence that choice by itself improves educational achievement. Similar conclusions have been reached by other scholars. Elmore concludes a basic review of the effects of choice on educational achievement as follows:

> Is there any firm evidence upon which to base a judgment that these structural options, or any others we might develop along similar lines, will improve the academic achievement of students? The short answer is no. The evidence, examined earlier, suggests that there is no simple causal relationship between choice, as we have discussed it here, and students' academic performance. (Elmore, 1988, p. 93.)

Thus, to paraphrase Capell's conclusion on Alum Rock: policy decisions about educational choice will have to be reached based on factors other than proven effects on student achievement.

THE STATE ROLE IN EDUCATION CHOICE

Historically, in contrast to the role of local school districts, state influence on primary and secondary education has been minor. The 1980s may have seen some symbolic changes, but substantively, the districts still maintain control. Financial control is increasingly shifting to states, and policy influence may follow. So far, state reforms, although good politics, have had little impact. For the most part, school districts still organize and locate schools, hire teachers and staff, decide school-level policy, establish curricula, set achievement and grading standards, and promote and graduate students. In short, they do almost everything that students and parents care about. Does the prospect of choice in education change this? Is there political advantage to be gained? What can we realistically expect in terms of effects on achievement.

Opportunities

State governments and state educational authorities can initiate statewide choice plans to allow choice in the public schools and to provide some degree of financial support for private schools (through tax deductions and perhaps credits). With the level of state aid in the nation averaging close to 50 percent of educational costs (Witte, 1990), statewide enrollment options in which state aid follows students (as in

Minnesota) approximate a moderately regulated, public school voucher plan. More extensive subsidy plans, incorporating private schools have neither been tried nor tested in the courts. Mueller v. Allen opened the way for modest tax deduction programs. However, the transition to a serious economic subsidy incorporating private schools remains uncertain.

Interdistrict plans, usually limited to metropolitan areas, can easily be supported by state programs, and they often are. To date, however, this support has usually followed court-mandated integration or threats of law suits. There has been much less state emphasis on education objectives. If Wisconsin is any indication, these programs generate political conflict between urban and non-urban districts. The option of metropolitan redistricting to reorganize districts to improve racial and socioeconomic balance, with the attendant shifting of school choices that would result, has been challenged and remains in flux in the courts; it seems to have little aggregate political support.

Finally, although states historically have been relatively minor players in encouraging intradistrict choice, they could easily exert more influence. Magnet schools have been funded by federal initiatives, but much less so by states. School-level experimentation could be encouraged through a number of state programs, ranging from start-up grants to state-aid differentials for innovative districts or even schools. Recent research suggests that such state initiatives are not immediately greeted with a host of district applicants (Furhman, 1990). However, it is only in the 1980s that most states have sought a more active role in school management and achievement. If nothing else, the increasing

centralization of finances should force states and districts into a more cooperative posture regarding innovation and accountability. Future state overtures may receive more attention.

Constraints

Despite the promise and political gains that support of innovative education reforms can bring, choice in American education faces serious constraints: legal, political, and geographic.

Legal constraints. If the real issue in education choice is establishing a market mechanism that seriously allows a private school option for a large number of families, then the constitutional question remains a major uncertainty. Mueller v. Allen was a close, limited ruling on a minor tax deduction program. Whether large-scale voucher or significant tax-credit policies would meet the tests of the establishment clause, as redefined by Mueller v. Allen, is not at all clear. In the face of more significant state aid that would benefit private schools, the court could retreat on the importance of actual beneficiary aid, or it could invoke a rule of importance based on the significance of the aid in terms of school selection decisions. In short, the direction the court will take is uncertain.

Many choice plans must fit within the constraints of desegregation decisions and orders. In practice, the creation of most magnet schools is not solely, and perhaps not primarily, driven by attempts to improve educational achievement. Rather, magnet schools serve as a way to meet and further court orders on racial composition. Thus, required racial balances limit a school system's choice options.

Political constraints. Choice offers considerable political advantage for elected politicians. For example, a plan such as Minnesota's open enrollment law appears to be radical and newsworthy, but, in practice, ruffles few feathers and costs almost nothing. Further, Minnesota was able to overcome organized opposition that elsewhere has successfully fought such choice plans. Teacher and administrator unions have consistently opposed and often brought suit against voucher plans and tax-credit or deduction schemes that involved private school competition. If Minnesota's plan had included private schools, it probably would have failed or, at least, have been tied up in the courts for years. The Minnesota plan avoided many conflicts by originally allowing districts not to participate, and subsequently allowing them to control precisely the flow of students into their schools.

Another example, the voucher experiment in Alum Rock, was severely constrained by teachers and administrators protecting against competitive threats either from new private schools (though none emerged) or from excessive transfers within the system. A similar response can be expected in larger urban districts where the need for reform and innovation are most crucial. This does not mean that change cannot take place. Experiments in District 4 in New York and magnet programs in many other districts are examples of what can occur. It would appear, however, that state-directed change on a large scale will be difficult to accomplish politically.

Geographic constraints. Students must travel between home and school. Because economic, family status, and race are related to educational achievement, residential segregation by race and income are relevant to school reform, particularly education choice. If there is a high degree of segregation in an area, choice is much less likely to succeed. Distances and transportation burdens are considerably greater, students of any race who consider a school in which they will be in a small minority will find the choice more difficult, and the theory and hope that choice will bring forth new and innovative schools is harder to sustain. On the latter point, evidence indicating that the vast majority of private high schools are located in the suburbs (Coleman, Hoffer, & Kilgore, 1982), and the recent elimination of 13 parishes and the closing of more than 30 Catholic schools in Chicago would seem to suggest a trend in the opposite direction. Although one could argue that, if the incentives existed in inner cities, this trend could be reversed. That scenario has not been demonstrated. Further, if incentives existed across all districts (e.g., through a public/private voucher system), where is it most likely that survival-motivated, let alone profit-conscious, education entrepreneurs will locate their schools?

To the extent that our nation continues to draw farther apart economically and racially, the practical implication for education is that all forms of reform become more difficult. Ironically, this is particularly true for what is often considered the most conservative education option--choice. School markets are not national, they are not statewide, they really are not even metropolitan: they are constrained

by the time it takes to transport a child. Geographic constraints make choice most relevant for parents who can locate near successful schools. To alter this geographic fact will require offering incentives much more attractive than current legal and political constraints would seem to permit.

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